Valley Inflation Returns to Lower Rate in Third Quarter

Inflation in the Phoenix metropolitan area moderated further during the third quarter, to 0.7 percent, seasonally adjusted. Following 2.1 and 1.1 percent gains during the first two quarters of 1987, the third quarter advance returned to the range experienced between third quarter 1985 and fourth quarter 1986.

Before seasonal adjustment, the Metropolitan Phoenix Consumer Price Index rose 0.5 percent, to 201.7 (1977 = 100). The index was 4.1 percent higher than during third quarter 1986, approximately the same annual increase measured at the end of the second quarter.

COMPONENT INDEXES

Most of the major CPI categories contributed roughly the same amount to third quarter inflation. Those categories of greatest relative importance – transportation, housing, and food and beverages – experienced little inflation; the annual gains in the latter two categories were less than 1.5 percent. The lesser-weighted major categories – apparel and upkeep, entertainment, and other goods and services – registered higher inflation rates.

Medical care was the exception among the major categories, declining for the first time on record. However, the reduction was a one-time phenomenon caused by decreases in health insurance rates.

Food and Beverages

Leading the increase in the food-and-beverage category was food-at-home prices. The index for the cereals and bakery products category advanced more than it had since fourth quarter 1984; the gain in the fruits and vegetables index also was relatively large. Despite another decline in poultry prices, which were 17 percent less than in

See "CPI," page 2

Living Standard Still Subpar in Metro Areas

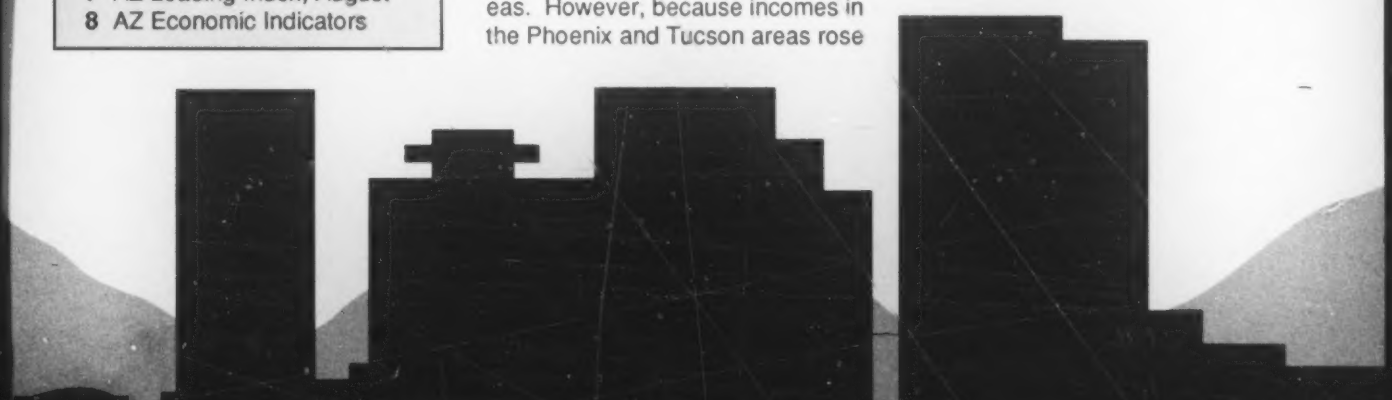
In Arizona's metropolitan areas, the standard of living – a comparison of the cost of living to income levels – remained below comparative norms during 1986. Even though living costs in the Phoenix and Tucson areas approximated those for metropolitan areas of their sizes, median household incomes were less than in comparative areas. However, because incomes in the Phoenix and Tucson areas rose more rapidly than the national average in 1986, living standard comparisons are not quite as unfavorable as in earlier years.

National patterns in cost of living, incomes and living standards were much the same during 1986 as in earlier years.

See "Living Standard," page 4

In This Issue

5 2nd Qtr. In-migration
6 Sept. Purchasing Survey
7 AZ Leading Index, August
8 AZ Economic Indicators



ARIZONA BUSINESS

VOLUME 34, NUMBER 11
NOVEMBER 1987

third quarter 1986, the index for meats, poultry, fish and eggs rose moderately. However, slight decreases occurred for the third time in the last four quarters in both the home categories.

Housing

Housing costs continued to advance modestly in the third quarter (see Table 1). Despite a gain for the quarter, shelter costs were only 0.7 percent higher than in third quarter 1986 (see Table 2). Apartment rents declined for the fourth straight quarter, cumulating to more than 3 percent, as persistently high vacancy rates continued. Homeowners' costs again rose modestly.

The index for fuel and other utility costs advanced moderately, with comparable gains in most subcategories. Prices of household furnishings and operations declined; in several subcategories, such as furniture, prices were lower than they were one year earlier.

Transportation

After large gains in the first two quarters of 1987, transportation costs rose modestly in the third quarter. A decrease in used car prices, offsetting a surge in the second quarter, helped to slow the overall transportation gain. Prices of vehicle parts and equipment and public transportation also fell, but vehicle insurance premiums again rose substantially. Vehicle finance charges went up for the first time since second quarter 1985.

Gasoline prices, largely responsible for swings in the inflation rate since 1985, increased modestly (though they were down prior to 24 percent higher than in third quarter 1986.

Medical Care

As in previous quarters, the CPI reflected moderate inflation in most of the medical care subcategories: prescription drugs, non-prescription drugs and supplies, professional services, and hospital services. However, the large decrease in health insurance premiums negated these increases.

Other Categories

Prices of other goods and services jumped 2.9 percent, the most since before 1984. Much of the gain resulted from personal care price increases. Entertainment costs rose a relatively large 2 percent, while apparel prices continued to fluctuate, climbing nearly 3 percent.

CPI Revision

In January, the U.S. Department of Labor initiated methodological changes in the consumer price indexes. These changes will not be fully implemented in the Metropolitan Phoenix Consumer Price Index until first quarter 1988. The Center for Business Research began updating its methodology after receiving detailed information from the federal government in the spring. During the third quarter, the Center collected prices for a variety of new items, many priced in outlets that did not previously provide prices for the CPI. Both methodologies – old and new – will be used simultaneously during the fourth quarter, giving a point of comparison, but the official CPI will be calculated with the old methodology.

The new methodology involves changes to numerous subcategories of the CPI, with many of the existing categories combined and new ones added. Other changes include use of categorical relative importance weights specific to the Phoenix area (previously, regional figures were used), rebasing of the indexes from 1977 = 100 to 1982-84 = 100, and various procedural enhancements. Due to the rebasing, the Phoenix CPI will be directly comparable, for the first time, to indexes produced by the federal government; the latter will be rebased beginning in January 1988.

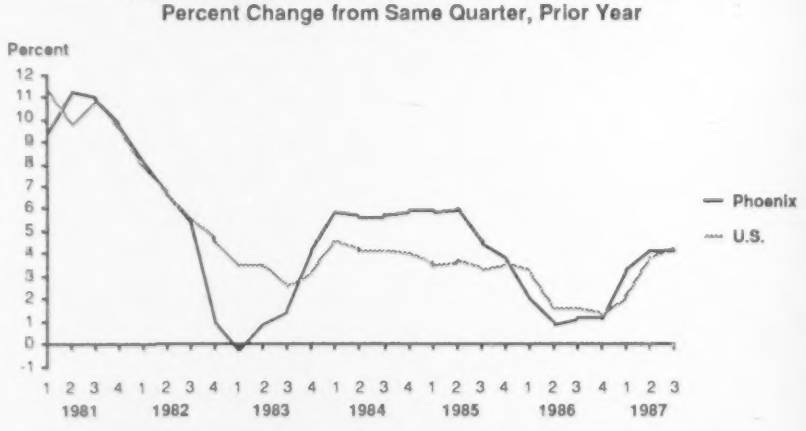
Previously published indexes will be affected only by the changes to the base period. Even then, the percent changes calculated from the indexes will not be altered. Further, indexes generated using the new methodology will be directly linked to the historical series, precluding discontinuities.

COMPARISON AREAS

Third quarter inflation in the Phoenix area was less than one-half the national rate. Metropolitan Phoenix recorded much lower rates in the housing, transportation, and medical care categories (see Table 3).

The area's inflation since third quarter 1986 was close to the national average, with substantially lower rates in the categories of housing, medical care, and food and beverages. However, transportation costs rose much more in the Phoenix area than nationally.

FIGURE I
METROPOLITAN PHOENIX AND UNITED STATES CPI
Percent Change from Same Quarter, Prior Year



Source: Center for Business Research, College of Business, Arizona State University, in cosponsorship with Valley National Bank.

Phoenix generally has been comparable to the national rate since late 1985 (see Figure 1). This relationship has not always held, as similar rates during 1981 and most of 1982 gave way to lower inflation in Phoenix for one year. The situation was reversed between late 1983 and late 1985.

Generally, inflation is higher in the Phoenix area during economic expansions, when heavy net in-migration exerts demand pressures, particularly on housing, the supply of which may be slow to respond. During recessions and transition periods, when net in-migration to Phoenix is muted, local inflation is equal to, or less than, the national average.

Comparable rates since late 1985, despite the continuing economic expansion, probably result from two factors. First, housing vacancy rates are high, holding down housing costs. Second, a relatively slow local economy in late 1986 and early 1987 resulted in a reduced in-migration flow.

OUTLOOK

Little evidence of noticeably higher inflation is obvious, either nationally or locally. With high vacancy rates and a less-than-robust local economy likely to persist into 1988, the Phoenix area's inflation rate should remain comparable to the national rate, each staying in the 4-to-5-percent range.

– Tom R. Rex
Research Manager

Metro Phoenix CPI

The Metropolitan Phoenix Consumer Price Index (CPI), on which these inflation figures are based, is prepared by the Center for Business Research in the ASU College of Business. The Center conducts comprehensive pricing surveys each quarter, in cosponsorship with Valley National Bank. For more information on the CPI, call the Center at (602) 965-3961.

TABLE 1
PERCENT CHANGES IN METROPOLITAN PHOENIX CONSUMER PRICE INDEX

		Seasonally Adjusted from Preceding Quarter						
Expenditure Category	*Relative Importance*	*1st 1986*	*2nd 1986*	*3rd 1986*	*4th 1986*	*1st 1987*	*2nd 1987*	*3rd 1987*
ALL ITEMS	100.0	-0.2	0.4	0.6	0.5	2.1	1.1	0.7
Food and Beverages	18.7	0.5	1.0	2.3	0.1	-0.2	0.5	0.9
Housing	39.5	0.7	0.2	1.0	0.4	0.5	0.2	0.5
Apparel and Upkeep	4.8	-3.3	5.6	-2.5	1.9	-2.5	2.8	2.7
Transportation	21.2	-2.5	-1.9	-1.1	-0.2	8.1	3.0	0.9
Medical Care	6.9	1.3	1.7	0.2	1.2	1.8	2.7	-2.1
Entertainment	4.6	-1.7	2.4	-0.6	4.5	2.4	-1.2	2.0
Other Goods and Services	4.3	1.7	0.7	2.1	0.6	2.0	0.3	2.9

TABLE 2
METROPOLITAN PHOENIX CONSUMER PRICE INDEX
Third Quarter 1987

	Index (1977 = 100)		Percent Change from	
Expenditure Category	*Last Quarter*	*This Quarter*	*Last Quarter**	*Year-Ago Quarter*
ALL ITEMS	200.7	201.7	0.7	4.1
Food and Beverages	182.2	183.0	0.9	1.1
Food	182.3	183.2	1.0	1.0
Food at Home	181.5	183.0	1.2	2.1
Cereal and Bakery Products	203.7	205.9	2.2	4.4
Meats, Poultry, Fish, and Eggs	165.1	168.0	1.4	0.9
Dairy Products	168.2	166.8	-0.2	0.2
Fruits and Vegetables	198.0	202.0	3.2	5.6
Other Food at Home	172.4	172.0	-0.1	0.7
Food Away from Home	180.9	180.8	0.6	-1.1
Housing	206.2	208.0	0.5	1.4
Shelter	222.4	224.1	0.5	0.7
Renters' Costs**	116.8	116.6	-0.7	-3.1
Homeowners' Costs**	113.7	114.5	0.7	2.3
Fuel and Other Utilities	176.9	180.7	1.2	4.2
Gas (piped) and Electricity	195.0	201.1	1.2	4.3
Household Furnishings/Operations	155.3	155.6	-0.5	1.4
Apparel and Upkeep	150.8	151.4	2.7	3.1
Transportation	196.0	195.9	0.9	11.3
Private Transportation	193.6	193.4	1.2	12.0
New and Used Cars	208.5	204.6	-2.5	5.9
Motor Fuels	169.9	166.6	3.4	24.3
Public Transportation	235.0	235.7	-2.8	3.1
Medical Care	284.1	278.1	-2.1	3.1
Entertainment	204.7	206.8	2.0	6.4
Other Goods and Services	186.9	193.3	2.9	6.4

*Seasonally adjusted **Base period is second quarter 1983.

TABLE 3
METROPOLITAN PHOENIX AND UNITED STATES CONSUMER PRICE INDEXES
Third Quarter 1987

	Percent Change from Last Quarter*		Percent Change from One Year Ago	
Expenditure Category	*Phoenix*	*United States*	*Phoenix*	*United States*
ALL ITEMS	0.5	1.2	4.1	4.3
Food and Beverages	0.5	0.4	1.1	3.4
Housing	0.9	1.6	1.4	3.5
Apparel and Upkeep	0.4	-1.5	3.1	3.7
Transportation	-0.1	1.8	11.3	6.3
Medical Care	-2.1	1.6	3.1	6.5
Entertainment	1.0	0.7	6.4	3.4
Other Goods and Services	3.4	1.3	6.4	5.8

*Not seasonally adjusted

Source (Tables 1, 2 and 3): Metropolitan Phoenix data compiled by the Center for Business Research, College of Business, Arizona State University, in cosponsorship with Valley National Bank; other data in Table 3 are from the U.S. Department of Labor, Bureau of Labor Statistics.

This article updates information presented in the November 1985 and March 1987 issues of *Arizona Business*.

COST OF LIVING

Living costs vary widely across the nation. The cost of living is highest along the East and West coasts and lowest in the Southeast and Northern Plains. In the Mountain region, which includes Arizona, the median cost of living nearly matches the national median (see Table 1). These conclusions are based on information from a quarterly study conducted by the American Chamber of Commerce Researchers Association (ACCRA). Approximately 250 towns and cities nationwide participate in the study.

Cost of living correlates closely to the population of an area, with enjoying significantly lower living costs and urban areas with more than one million residents experiencing significantly higher costs than the national average. Living costs also correlate with area income levels.

TABLE 1
MEDIAN LIVING COST INDEXES
By Geographic Area, Population of Urbanized Area, and Income
(National Median = 100)

Area	Index
New England	108
Middle Atlantic	103*
South Atlantic	98
East South-Central	94*
West South-Central	99
East North-Central	98
West North-Central	95*
Mountain	99
Pacific	105*
Population	
Less than 25,000	96*
25,000-74,999	96*
75,000-124,999	98
125,000-199,999	99
200,000-399,999	99
400,000-999,999	100
1 million or more	108*
Income	
Less than $21,000	96*
$21,000-$23,499	98
$23,500-$25,999	99
$26,000 or more	102*

*Statistically significant difference from the national average.

Source: Center for Business Research, College of Business, Arizona State University, based on 1980 Census population figures, 1986 *Sales and Marketing Management* household disposable income figures, and 1986 data of the American Chamber of Commerce Researchers Association (ACCRA).

INCOME LEVELS

Income levels vary geographically, but the pattern does not exactly match that of the cost of living. Significantly lower incomes are found in the Southeast, while the Middle Atlantic and Great Lakes regions enjoy significantly higher incomes (see Table 2). The median income in the Mountain region approximates the national average. These findings are based on the "effective buying income" – similar to household disposable income – reported in *Sales and Marketing Management*.

Incomes correlate to population in nearly a straight-line relationship, with the lowest incomes in towns of fewer than 25,000 residents and the highest incomes in urban areas of more than one million people. Only the income of the largest population class varies significantly from the national average.

One measure of the standard of living is derived by adjusting income levels for the cost of living – the simple division of an area's income by its cost-of-living index. The adjusted income figures should vary little by city size or by region if income levels adequately compensate for differences in cost of living.

The adjustment does reduce the variation in income by city size. The median adjusted income is not significantly different from the national average in any city-size class, though the figures are lower in areas with a small population.

Regional differences, however, remain significant. The Southeast's *adjusted* income, while higher than the region's income figure, is significantly less than the national average. After adjustment, the Great Lakes region's income is even higher. Because of heavy out-migration of people from this region, a high standard of living may be a necessary labor market adjustment to retain and attract people.

PHOENIX AND TUCSON

Because the Phoenix metropolitan area's population is approximately

TABLE 2
MEDIAN HOUSEHOLD INCOME WITH AND WITHOUT COST-OF-LIVING ADJUSTMENT

Geographic Area	Income	Adjusted Income
New England	$24,725	$22,450
Middle Atlantic	25,700*	24,350
South Atlantic	22,700	23,050
East South-Central	20,400*	21,500*
West South-Central	21,575	22,475
East North-Central	24,925*	25,650*
West North-Central	22,975	23,175
Mountain	23,725	24,175
Pacific	23,475	22,050
Population of Urbanized Area		
Less than 25,000	$20,925	$21,300
25,000-74,999	21,975	22,650
75,000-124,999	22,450	22,500
125,000-199,999	24,550	24,525
200,000-399,999	24,525	24,225
400,000-999,999	25,075	24,400
1 million or more	27,775*	25,775
NATIONAL AVERAGE	$23,450	$23,550

*Statistically significant difference from the national average.

Source: Center for Business Research, College of Business, Arizona State University, based on 1986 *Sales and Marketing Management* household disposable income figures and 1986 ACCRA cost-of-living figures.

triple that of the Tucson metropolitan area, differences in income levels and cost of living are expected between the two areas.

Cost of Living

Living costs in Tucson nearly matched the national average, while those in Phoenix generally were 5 to 8 percent higher. Most of the difference could be traced to the housing and utilities categories. Housing costs – approximately 10 percent higher in Phoenix than in Tucson – varied more nationwide by population size of an area than other costs.

Grocery costs are approximately the same in Phoenix and Tucson, and both are close to the national average. Costs of miscellaneous goods and services also are nearly equivalent, exceeding the national average by 5 percent. Transportation and health care costs are higher in Phoenix, with the costs in both metropolitan areas greater than the national average.

Living costs vary even within a metropolitan area. Scottsdale participated in the ACCRA study for the first time in 1986; its cost of living measured 13 percent higher than that for the city of Phoenix. Housing and utility costs again accounted for most of the difference. However, grocery and miscellaneous costs also were greater in Scottsdale than in Phoenix.

Incomes and Living Standards

The 1986 median household effective buying income in the Phoenix metropolitan area ($25,673) was 22 percent higher than in the Tucson area, a larger discrepancy than would be expected from the difference in population size. As a result of slightly greater living costs but much better incomes, households in the Phoenix area enjoy a standard of living approximately 15 percent higher than that of the Tucson area.

Income levels also vary within a metropolitan area. For example, the median income ($25,165) of the city of Phoenix was slightly less than the metrowide figure, while Scottsdale's income level was 25 percent higher. Thus, even though living costs are much greater in Scottsdale than in Phoenix, living standards are superior in Scottsdale.

Comparison to Other Areas

Income growth during 1986 in Arizona's metropolitan areas was greater than in most of the nation's metropolitan areas, raising the comparative standards of living. However, because income levels remained relatively low, the standard of living in the Phoenix area still was below that expected of an urban area of nearly two million people. It was barely higher than the medians of the Mountain region and the nation. In Tucson, the standard of living was 10 to 15 percent less than that of each comparative area, due to the Tucson area's very low median household income.

– Tom R. Rex
Research Manager

Migration to Arizona and Metro Phoenix Falters in Second Quarter

The net number of in-migrants to the Phoenix metropolitan area and to the rest of Arizona dropped sharply during second quarter 1987. After peaking in mid-1985 at 19,000 people per quarter, net in-migration to Maricopa County gradually declined to 12,000 by first quarter 1987. The number dropped by half, to 6,000, in the second quarter, which represents the weakest inflow since the 1981-82 recession.

For the entire fiscal year 1986-87 (ending June 30, 1987), net in-migration totaled 47,000 people, only slightly greater than the average of the 1970s and 1980s and well below the totals of the preceding three fiscal years (see Figure I). This lessened population growth resulted from the construction-centered slowdown of the local economy.

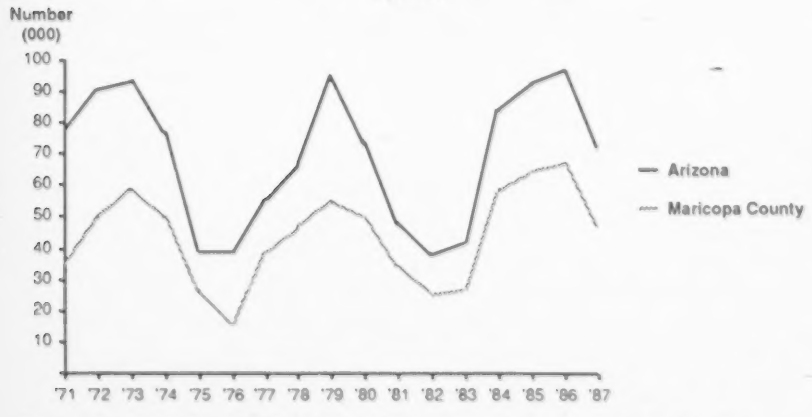
Generally, changes in the level of net in-migration lag shifts in economic performance, such as an increase in the unemployment rate or a decrease in job creation. Each occurred in the Phoenix area during late 1986 and early 1987, preceding the sharp drop in net in-migration.

As a result, the total population change (including net natural increase) for the Phoenix area during 1986-87 was 68,000, down from 88,000 the preceding fiscal year. With constant gains in net natural increase (births minus deaths), even the lower 1986-87 figure is historically high, exceeded only in the preceding three years and in 1972-73.

Statewide, the population grew by approximately 108,000 during 1986-87, less than the record 132,000 of 1985-86. Net in-migration declined 25,000, to 72,000 people. The estimated population of the state reached 3.44 million by July 1, 1987, with 1.97 million people living in Maricopa County.

– Tom R. Rex
Research Manager

FIGURE I
NET IN-MIGRATION TO ARIZONA AND MARICOPA COUNTY
1971-87



Source: Center for Business Research, College of Business, Arizona State University

The Arizona economy continued to accelerate in September, with all purchasing indicators turning in a strong performance. Lead times on vendor shipments stretched at the highest rate in more than three years. Inventory rebuilding continued, while new orders and production jumped again. The only disturbing sign is the continued run-up in prices.

Business activity, now closing in on five consecutive years of measured growth, is picking up speed. The Arizona economy likely will move forward at an even faster clip in the fourth quarter, as it reaches for new, higher ground. The economy faces an overheated condition unless interest rates increase further, curtailing the inflationary trend that intensified during the second and third quarters. Continued growth will occur as the economy moves into the final quarter, and 1987 will go into the record books as a year of solid advances.

Table 1 presents the results of the September survey of Arizona purchasing managers. Analysis of these results follows.

PRICES

Prices paid for purchased items escalated in September at the same rate as in August. These two increase rates were the highest since June 1984, showing that inflationary pressures continue to build. Interest rates will need to rise further to slow this trend.

DELIVERY TIME

Delivery time on shipments from vendors continued to stretch, with the largest monthly lead-time increase in more than three years (since July 1984). This gain in lead times confirms that the expansion is robust, as supplier operating rates continue to accelerate.

INVENTORY LEVELS

Inventory levels of purchased materials rose for the second consecutive month, adding further impetus to the expansion. The growth in inventory, needed to support higher new order and production activity, will provide a continuing source of economic growth in the next quarter.

NEW ORDERS

New orders received by Arizona firms increased in September at the same strong rate as in the previous month. This indicator's growth during the last two months has been particularly strong and should ensure even higher levels of economic activity during the fourth quarter.

PRODUCTION

Production advanced again, although at a somewhat smaller rate than in the previous month. This jump is consistent with the new order hikes. With the exception of last July, production increases have been strong for all months of 1987.

EMPLOYMENT

Employment went up again in September, for the ninth month in a row. While the rate of employment growth has slowed somewhat during the past two months, it still signals an economy that is enjoying measured growth.

PURCHASES

Purchases of materials and supplies grew again in September, as needed to meet higher production levels, although the increase rate was the lowest of 1987.

– Harold Fearon

Dr. Fearon is the National Association of Purchasing Management Professor in the ASU College of Business.

Arizona Purchasing Survey

Now in its 25th year of monthly reporting, Dr. Harold Fearon's survey of Arizona business conditions utilizes data gathered at the close of each month from members of the purchasing management associations of Arizona and southern Arizona. They indicate the direction - higher, unchanged, or lower - of seven key measures of economic activity in the month just ended. These purchasing managers deal daily with supply, demand, and price factors in the marketplace; their aggregate readings have accurately charted the state's economic course for two decades, providing timely data on turning points.

TABLE 1
SEPTEMBER PURCHASING SURVEY

	Percent of Purchasing Managers Indicating Each Response (September compared to August)		
Key Indicators	*Higher*	*Same*	*Lower*
Prices paid for major commodities	39	60	1
Delivery time from vendors	43	50	7
Purchased materials inventory level	32	48	20
New orders received	49	32	19
Production	41	41	18
Employment	27	56	17
Purchases	40	38	22

Source: Purchasing Management Association of Arizona and the Purchasing Management Association of Southern Arizona

The Arizona Index of Leading Economic Indicators declined slightly in August to 110.7, .2 percent off July's record high 110.9 (see Figure I).

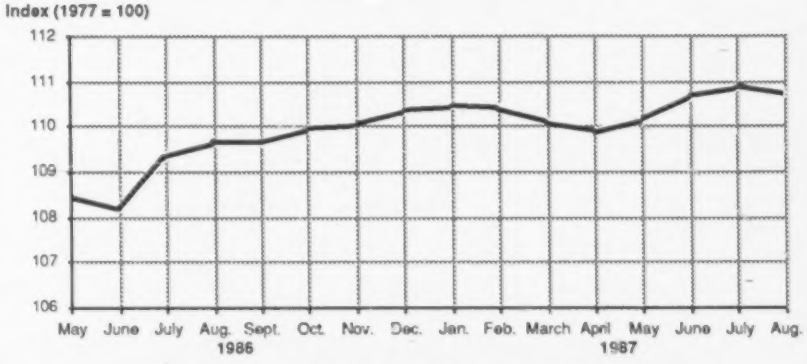
The index is based on 10 statistical economic indicators and is designed to predict economic activity up to six months in the future. While seven of the 10 components increased in August, the pull of the three declining components was sufficient to turn the entire index in a downward direction.

The greatest negative influence came from a sharp drop in the value of residential building permits. This component fell to its lowest level since November 1985. The current figure is the third lowest since first quarter 1983, when the Arizona economy began to emerge from the 1982 recession.

Four of the five seasonally adjusted components derived from a survey of Arizona purchasing managers rose in August. Only employment declined, while increases were reported for delivery times, inventory levels, new orders, and production.

After three consecutive monthly decreases, the national money supply (M2) advanced slightly but remained well below the peak value recorded in January. Hours worked in Arizona manufacturing firms also rose, and seasonally adjusted unemployment claims fell, exerting a positive influence on the index.

FIGURE I
ARIZONA INDEX OF LEADING ECONOMIC INDICATORS



Source: Economic Outlook Center, College of Business, Arizona State University

TABLE 1
NET CONTRIBUTION OF INDIVIDUAL COMPONENTS TO THE ARIZONA INDEX OF LEADING ECONOMIC INDICATORS

	Net Contribution+			
	May	*June*	*July*	*Aug.*
Delivery Time*	-.04	.17	-.09	.07
Inventory Levels*	.04	.03	-.08	.04
New Orders*	.01	.10	-.10	.09
Production*	.02	.01	-.07	.13
Employment*	-.04	.04	.03	-.02
Residential Building Permits	-.01	.12	.27	-.68
Unemployment Insurance Claims	.04	-.05	-.01	.16
Average Workweek, Manufacturing	.21	-.09	.07	.07
Money Supply	-.13	-.12	-.01	.01
Change in Sensitive Materials Prices	.14	.21	.10	-.04
OVERALL INDEX CHANGE (%)	.3	.5	.2	-.02

+The net contribution of each component is calculated by multiplying the monthly percent change in its index by its relative importance.

*Based on indicators from the purchasing management associations of Arizona and southern Arizona.

Source: Economic Outlook Center, College of Business, Arizona State University

OUTLOOK

As long-term interest rates drifted upward during the summer, new residential housing activity in Arizona continued to slow. With multifamily permits already down sharply due to tax law changes, the weakness in the single family market is likely to worsen in the months ahead. The result will be more job losses in construction and housing-related industries.

Comparison of the Arizona Index of Leading Economic Indicators with the national index provides insight into this year's performance of the Arizona economy. The national index has been very consistent, marked by seven consecutive months of small but positive changes. During the same period, the Arizona index decreased four times and increased three times. As would be expected from such a comparison, the 1987 rate of job creation in Arizona has lagged behind the national rate. The state's economic outlook for the rest of the year is much the same – positive growth at a pace slower than that of the national economy.

– Lee R. McPheters, Director
Economic Outlook Center

ARIZONA ECONOMIC INDICATORS

	Month or Quarter	Value	Percent Change from Previous Period	Percent Change from Year Ago	Year-to-Date Value	Year-to-Date Percent Change from Year Ago
GROSS STATE PRODUCT						
(In Billions of Dollars, at Annual Rate)						
Arizona - Current Dollars	1st Qtr.	55.267	4.1	8.8	NA	NA
Arizona - 1982 Dollars	1st Qtr.	47.310	3.4	5.8	NA	NA
CONSUMER PRICE INDEX (1977 = 100)						
Metropolitan Phoenix	3rd Qtr.	201.7	0.5	4.1	NA	NA
INDEX OF LEADING ECONOMIC INDICATORS (1977 = 100)						
Arizona	August	110.7	-0.2	0.9	NA	NA
BUILDING PERMITS						
(Total Dollar Value in Thousands)						
Maricopa County	August	330,592	-8	7	2,673,442	-4
Pima County	August	40,683	-22	-28	406,227	-30
Balance of State	August	41,028	-21	-27	417,658	-3
Arizona	August	412,303	-11	-2	3,497,327	-8
TOTAL HOUSING UNITS AUTHORIZED						
Maricopa County	August	2,216	-18	-33	19,442	-41
Pima County	August	407	-16	-47	4,533	-45
Balance of State	August	714	-5	-16	6,627	-24
Arizona	August	3,337	-16	-32	30,602	-39
HOME SALES						
Maricopa County - Number	Sept.	4,350	-30	-43	47,180	-1
Maricopa County - Median Price	Sept.	82,850	1.2	3.6	80,175	2.9
HOUSING AFFORDABILITY INDEXES						
Metropolitan Phoenix - New Homes	2nd Qtr.	96	-5.9	1.1	NA	NA
Metropolitan Phoenix - Resale Homes	2nd Qtr.	109	-10.7	0.9	NA	NA
MORTGAGE INTEREST RATES						
(Conventional, 30-year, Fixed-rate)						
Maricopa County	Sept.	10.8	4.9	9.1	NA	NA
POPULATION ESTIMATES						
(In Thousands)						
Maricopa County	2nd Qtr.	1,970	0.6	3.6	NA	NA
Arizona	2nd Qtr.	3,440	0.6	3.2	NA	NA
ELECTRICAL POWER SALES						
(In Millions of Kilowatt Hours)						
Arizona	August	3,982	0.9	-4.1	26,413	5.9

NA = Not Applicable

Source: Center for Business Research, College of Business, Arizona State University

ARIZONA BUSINESS (ISSN 0093-0717) is mailed free to Arizona residents. The annual out-of-state subscription rate is $12 ($15 foreign). Persons wishing to be placed on the mailing list should send their name and address to the Center for Business Research, College of Business, Arizona State University, Tempe, AZ 85287; or call (602) 965-3961.

Arizona State University vigorously pursues affirmative action and equal opportunity in its employment activities and programs.

ARIZONA BUSINESS is published monthly by the Center for Business Research, College of Business, Arizona State University. Articles do not necessarily reflect the views of the Center, College, or University. Authors are solely responsible for the accuracy and content of their articles. Permission to reprint articles granted upon request. Second class postage paid at Tempe, Arizona 85282.

ARIZONA BUSINESS is available on microfilm and in xerographic copies from University Microfilms, Ann Arbor, Michigan 48106.

John Kraft, Dean
Timothy D. Hogan, Center Director
Mary Wery Garcia, Editor
James Dodson, Editorial Assistant
Sandra Palais, Computer Specialist

SPI Acquisitions
Congressional Info Service
4520 East-West Highway
Bethesda MD 20814